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SUBJECT: LTTE SPLIT FESTERING WOUND SAY SOUTH INDIANS

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11. (U) SUMMARY: The current split in the Liberation Tigers of Tamil Eelam (LTTE) hamstrings the Sri Lankan peace process and might even degenerate into a "bloodbath," warned security analysts who met DAS Donald Camp during his May 15 visit to Chennai. They predicted a standoff between Karuna, the better general, and Prabhakaran, the autocrat who brooks no dissent. Indian state government officials foresaw an interruption of refugee repatriations. All feared that a multi-polar state, ideal for breeding terrorists, might emerge. END SUMMARY.

Analysts See Stalemate, Covert Ops, Muslim Alienation

- 12. (U) "This is going to lead to a stalemate that will hinder peace moves, " lamented V. Suryanarayanan, former Director, Center for South East Asian Studies, University of Madras. Other speakers at the Observer Research Foundation (ORF) expressed complementary views. Colonel Hariharan, former Chief of Military Intelligence of the Indian peacekeeping Force in Sri Lanka, indicated that Karuna was a better general than Prabhakaran and would likely win any conventional confrontation. So, he hypothesized that "a covert operation is likely to have already been launched" to assassinate Karuna. B. Raman, former additional director of the Research and Analysis Wing (India's CIA), added that Karuna, no fool, would not have split from Prabhakaran unless he sensed growing popular discontent in the East against Prabhakaran's northern LTTE faction. Raman added that Karuna must have believed that Prabhakaran planned to eliminate him so he defected, with a powerful force, while he still could.
- 13. (U) ORF panelists described the current split as a defining event for the LTTE. "The image that the LTTE is a monolithic structure is broken once and for all,"

 1V. Suryanrayanan noted. The apparent failure of the LTTE's famed intelligence wing to prevent this crisis stunned the analysts. "Looks like intelligence outfits of non-state actors are as fallible as their state counterparts," A.S. Paneerselvam, Sun Television network's chief news editor, observed. T.S. Subramanium, special correspondent, Frontline Magazine, predicted that "Pottu (LTTE's Intelligence Chief) will pay with his life" for the oversight.
- 14. (U) ORF panelists also predicted increasing alienation among Sri Lankan Muslims. They noted that neither Prabhakaran nor Karuna offered Muslims hope of adequate representation in any government. This, coupled with a growing sense of Muslim identity, virtually ensured alienation with potential for extremism. The panel referenced previous calls for a "separate Muslim police force" and the flow of Gulf

money to Sri Lanka as evidence. They noted a "rich potential for radicalization," and hinted at others who would want to take advantage of the situation, gliding into references to what they called Lashkar-e-Toiba "sleeper cells" in South India and especially Hyderabad. They implied that the Muslims of Eastern Sri Lanka could be ripe for such contacts.

State Officials Fear For Security and Refugees

- 15. (U) "We are watching the situation for it has security implications for the state," Lakshmi Pranesh, Chief Secretary, Government of Tamil Nadu (GoTN) offered at a separate meeting between DAS Camp and GoTN officers. Her statement echoed earlier reports of Indian concern (REF A). The GoTN fears the LTTE split will stop the repatriation of Sri Lankan refugees from Tamil Nadu (REF B). "We repatriated 1500 refugees last year," T. Pitchandi, Secretary Public and Rehabilitation, told DAS Camp. The GoTN continues to work with the Sri Lankan Deputy High Commission in Chennai to facilitate issuing Sri Lankan travel documents for the refugees (REF C).
- 16. (U) COMMENT: South Indian security experts have warned that the LTTE's split may signal a tectonic shift in Sri Lanka's political environment that could have international repercussions. India's Tamil Nadu state has already considered the implications for its refugee population. In the shadow of the current crisis, South India feels vulnerable to a break down in Sri Lanka. END COMMENT.

HAYNES